

EX PARTE ON LATE FILED

© Bell Atlantic

Bell Atlantic Network Services, Inc.
1133 Twentieth Street, N.W.
Suite 800
Washington, D.C. 20036
202 392-6990

Marie T. Breslin
Director
FCC Relations

DOCKET FILE COPY ORIGINAL
RECEIVED

August 19, 1996

AUG 19 1996

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

EX PARTE

Mr. William Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

Re: CS Docket No. 96-112, Video Programming Cost Allocation

Dear Mr. Caton:

Today, on behalf of Bell Atlantic, Ed Shakin, Patricia Koch and myself met with Dan Gonzalez, Legal Advisor to Commissioner Chong to discuss Bell Atlantic's position on the above captioned docket. A copy of the handouts distributed during the meeting is attached.

Please include this correspondence as part of the public record in the above captioned proceeding. Please call me if you have any questions concerning the meeting.

Sincerely,

Marie Breslin

Attachment

cc: D. Gonzalez

No. of Copies rec'd 01
List A B C D E

SPARE CAPACITY LEVELS ARE BASED ON A BALANCE OF NETWORK NEEDS
AGAINST COSTS

RECEIVED
AUG 19 1996

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

"Spare" capacity in network facilities is a function of the following factors:

- 5 year engineering planning cycle
- obligation to serve
- manufacturers predetermined sheath sizes
- labor costs to construct the facilities

5 year engineering planning cycle projects outside plant facilities requirements based on:

- rehab and growth
- congestion (poles and conduit)
- state and local ordinances impacting rights-of-way
- cost of electronics versus costs of construction (i.e., purchasing higher speed electronics and using fewer fiber strands)

Labor costs do not vary significantly with the size or quantity of facilities placed

- same per foot labor costs to place 12 fibers or 216 fibers
- splicing hours vary slightly by quantities of fibers

Incremental cost to install a foot of fiber:

- 12 versus 36 fibers - +30% incremental cost, +300% change in capacity
- 12 versus 96 fibers - +110% incremental cost, +800% change in capacity

THERE HAS BEEN NO STOCKPILING OF FIBER FOR VIDEO

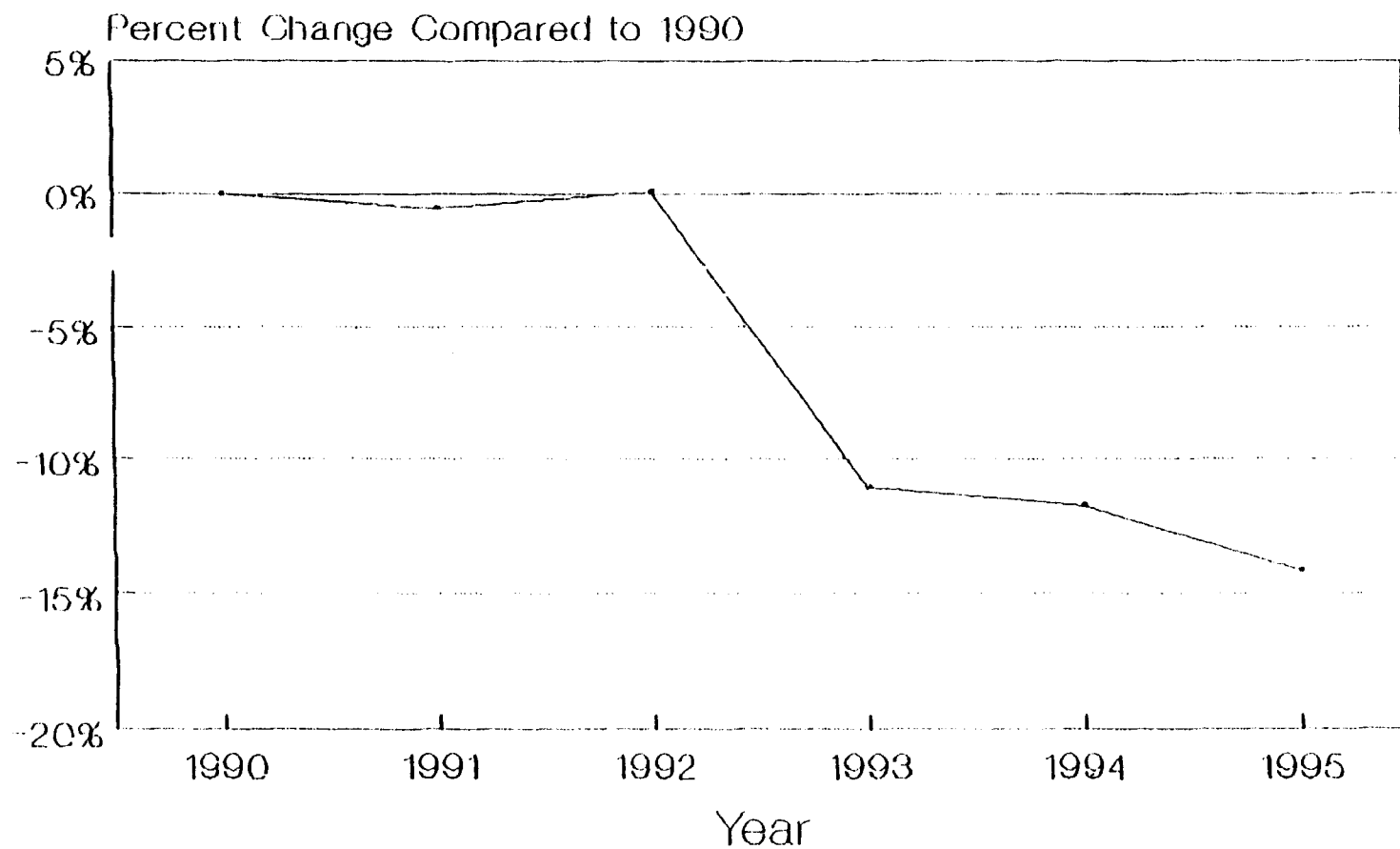
Bell Atlantic spare fiber capacity has actually declined over the past 5 years

Spare fiber currently represents only 2.8% of Bell Atlantic's total outside plant investment

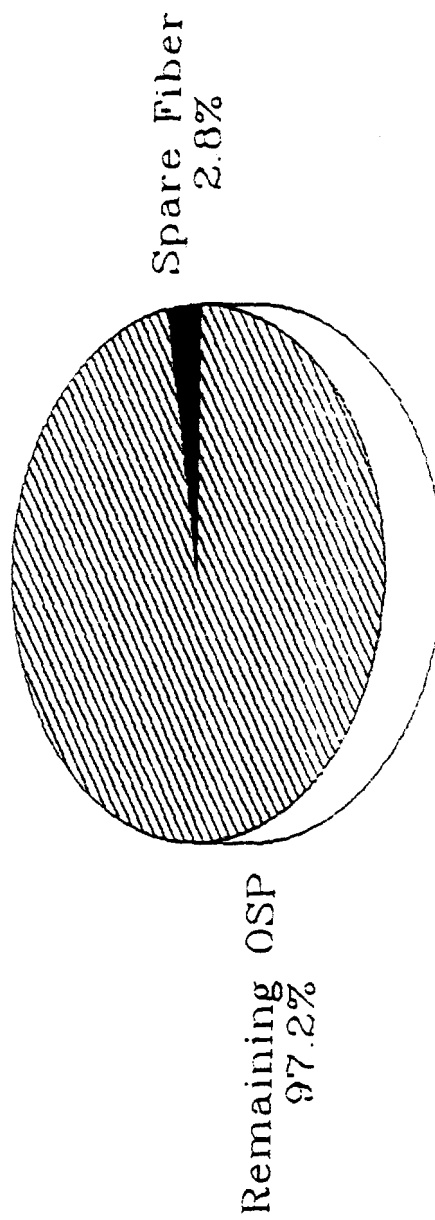
Facilities required to deploy new unregulated services such as video will require predominately new construction

BELL ATLANTIC

CHANGE IN SPARE CAPACITY SINCE 1990



BELL ATLANTIC
SPARE FIBER AS PERCENTAGE OF
TOTAL OUTSIDE PLANT INVESTMENT



1995